



USDA Foreign Agricultural Service

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## Japan

## Sugar

## Annual Report

## 2004

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**Report Highlights:**

Domestic sugar production is forecast for 897,000 tons in 2003/2004, up from 875,000 tons the year before. Imports are expected to remain relatively unchanged. Total demand for sugar in 2003/2004 is forecast to drop 0.2 % to 2.292 million tons. Sugar demand remains almost at the same level in the last several years (2.300 million tons in 1999).

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Includes PSD Changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Tokyo [JA1]  
[JA]

**Table of Contents**

<b>Summary of Situation.....</b>	<b>3</b>
<b>Statistical Tables .....</b>	<b>4</b>
PSD Table – Centrifugal Sugar .....	4
PSD Table – Sugar Beets .....	5
PSD Table – Sugar Cane for Centrifugal .....	6
Import Trade Matrix – Sugar Cane for Centrifugal.....	7
Import Trade Matrix – Centrifugal Sugar .....	8
Export Trade Matrix – Centrifugal Sugar.....	9
Prices Table – Centrifugal Sugar.....	10

## Summary of Situation

The Ministry of Agriculture, Forestry and Fisheries (MAFF) estimates centrifugal sugar production for the October-September Marketing Year (MY) 2003/2004 at 897,000 tons, down 2.5 percent from the year before. The production of beet sugar is expected to be higher due to favorable weather conditions. Cane sugar production is expected to increase slightly to 147,000 tons. Japan's sugar consumption is forecast to decrease slightly in 2003/2004 to 2.292 million tons, compared to levels of the previous year (2.296 million tons).

Sugar demand declined almost 10 % between 1991 and 1999 (2.611 million tons and 2.300 in 1991 and 1999, respectively), partly due to consumers' preference for "non-sugar" or "less sugar" products as well as the increasing availability of sugar substitutes such as sorbitol. Sorbitol preparation imports increased significantly during the same period (13,651 tons and 128,387 tons in 1991 and 1999, respectively), which mirror the decrease in sugar demand for the same period. Since 2000, sugar demand has remained steady at 2.300 to 2.277 million tons. Sorbitol imports have also remained stable around 120,000 tons.

Lower sugar prices reflect the Japanese Government's efforts to strengthen the competitiveness of its sugar industry. The Japanese Government abolished the 10 yen per kilogram tariff on raw sugar in April 2000.

MAFF, through the Agriculture and Livestock Industries Promotion Corporation (ALIC), subsidizes domestic production through a generous price support system. Each year, ALIC sets a guaranteed price for domestic beet and cane producers. ALIC then sets a price at which it will buy raw sugar from refiners that will allow the refiners to pay the guaranteed price for beets and cane. MAFF purchases sugar at the set price, then resells the sugar to the refiners at a lower price, which is roughly equivalent to the import price.

## Statistical Tables

## PSD Table – Centrifugal Sugar

<b>PSD Table</b>							
<b>Country</b>	Japan						
<b>Commodity</b>	Centrifugal Sugar				(1000 MT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
<b>Market Year Begin</b>		10/2002		10/2003		10/2004	MM/YYYY
Beginning Stocks	318	318	330	359	272	387	(1000 MT)
Beet Sugar Production	718	721	670	741	0	700	(1000 MT)
Cane Sugar Production	152	143	150	147	0	150	(1000 MT)
TOTAL Sugar Production	870	864	820	888	0	850	(1000 MT)
Raw Imports	1464	1480	1416	1440	0	1460	(1000 MT)
Refined Imp.(Raw Val)	2	3	2	2	0	2	(1000 MT)
TOTAL Imports	1466	1483	1402	1442	0	1462	(1000 MT)
TOTAL SUPPLY	2654	2665	2552	2689	272	2699	(1000 MT)
Raw Exports	0	0	0	0	0	0	(1000 MT)
Refined Exp.(Raw Val)	10	10	10	10	0	10	(1000 MT)
TOTAL EXPORTS	10	10	10	10	0	10	(1000 MT)
Human Dom. Consumption	2314	2296	2270	2292	0	2290	(1000 MT)
Other Disappearance	0	0	0	0	0	0	(1000 MT)
Total Disappearance	2314	2296	2270	2292	0	2290	(1000 MT)
Ending Stocks	330	359	272	387	0	399	(1000 MT)
TOTAL DISTRIBUTION	2654	2665	2552	2689	0	2699	(1000 MT)

## PSD Table – Sugar Beets

<b>PSD Table</b>							
<b>Country</b>	Japan						
<b>Commodity</b>	Sugar Beets				(1000 HA)(1000 MT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
<b>Market Year Begin</b>		10/2002		10/2003		10/2004	MM/YYYY
Area Planted	67	67	66	68	0	68	(1000 HA)
Area Harvested	67	67	66	68	0	68	(1000 HA)
Production	4098	4098	3700	3867	0	3800	(1000 MT)
TOTAL SUPPLY	4098	4098	3700	3867	0	3800	(1000 MT)
Utilization for Sugar	4098	4098	3700	3867	0	3800	(1000 MT)
Utilizatn for Alcohol	0	0	0	0	0	0	(1000 MT)
TOTAL UTILIZATION	4098	4098	3700	3867	0	3800	(1000 MT)

## PSD Table – Sugar Cane for Centrifugal

<b>PSD Table</b>							
<b>Country</b>	Japan						
<b>Commodity</b>	<b>Sugar Cane for Centrifugal</b>				(1000 HA)(1000 MT)		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
<b>Market Year Begin</b>		10/2002		10/2003		10/2004	MM/YYYY
Area Planted	30	31	30	31	0	31	(1000 HA)
Area Harvested	24	24	23	24	0	24	(1000 HA)
Production	1400	1326	1400	1385	0	1350	(1000 MT)
TOTAL SUPPLY	1400	1326	1400	1385	0	1350	(1000 MT)
Utilization for Sugar	1400	1326	1400	1385	0	1350	(1000 MT)
Utilizatn for Alcohol	0	0	0	0	0	0	(1000 MT)
TOTAL UTILIZATION	1400	1326	1400	1385	0	1350	(1000 MT)

## Import Trade Matrix – Sugar Cane for Centrifugal

<b>Import Trade Matrix</b>			
<b>Country</b>	Japan		
<b>Commodity</b>	Sugar Cane for Centrifugal		
Time Period	CY	Units:	1000MT
Imports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
Australia	774	Australia	634
Thailand	396	Thailand	557
South Africa	187	South Africa	163
Fiji	57	Fiji	54
Brazil	46	Brazil	34
		Costa Rica	18
Total for Others	1460		1460
Others not Listed	0		
Grand Total	1460		1460

## Import Trade Matrix – Centrifugal Sugar

<b>Import Trade Matrix</b>			
<b>Country</b>	Japan		
<b>Commodity</b>	Centrifugal Sugar		
Time Period	CY	Units:	1000MT
Imports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
R. Korea	1	R. Korea	2
Brazil	1		
Total for Others	2		2
Others not Listed			
Grand Total	2		2



## Export Trade Matrix – Centrifugal Sugar

<b>Export Trade Matrix</b>			
<b>Country</b>	Japan		
<b>Commodity</b>	Centrifugal Sugar		
Time Period	CY	Units:	1000MT
Exports for:	2002		2003
U.S.	0	U.S.	0
Others		Others	
China	1	China	1
Hong Kong	1	Hong Kong	1
Total for Others	2		2
Others not Listed	0		0
Grand Total	2		2

## Prices Table – Centrifugal Sugar

<b>Prices Table</b>			
<b>Country</b>	Japan		
<b>Commodity</b>	Centrifugal Sugar		
Prices in	yen	per uom	kg
Year	2002	2003	% Change
Jan	120	124	3%
Feb	120	124	3%
Mar	122	124	2%
Apr	122	124	2%
May	121	124	2%
Jun	121	123	2%
Jul	120	122	2%
Aug	120	122	2%
Sep	120	122	2%
Oct	122	127	4%
Nov	123	127	3%
Dec	124	127	2%
	110		
Exchange Rate		Local Currency/US \$	
Date of Quote	9/30/2003	MM/DD/YYYY	